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SUMMARY OF ARGUMENTS RELATING TO THE QUESTION

1. The Chinese Communists have never publicly deviated from the terms they originally proposed for a settlement in Korea: withdrawal of all "foreign" troops; a free hand in Formosa, and admission into the UN. There is recent evidence that a fourth demand---participation in a Japanese peace treaty---will be added. The preponderance of intelligence opinion is still that the Chinese will not change their stand under any circumstances that can presently be foreseen in Korea.

25X1X6

[REDACTED], who has proved in the past to be the most reliable [REDACTED]

25X1C

25X1C [REDACTED] has recently stated that the present time is not

opportune for making peace proposals to China, mainly because the Communist government considers that the war is progressing to ~~it's~~ entire satisfaction. Travellers returning from China are in agreement that there are no signs now of a desire on the part of the Chinese to end the war.

2. If the above may be taken as evidence that the Chinese are planning to prolong the war to whatever extent they consider feasible and desirable, some of the more plausible reasons would seem to be:

a. The Chinese Communists have the capability of prolonging the war without seriously damaging their military and economic potential or risking loss of political control in China. This thesis is based primarily on the conclusions so far reached in NIE-32 and the recently developed theory that the Chinese troops so far committed have been expendable. If China can continue to supply expendable troops from what are presumably vast reserves of manpower, and if the Chinese economy without much greater strain than it seems

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SECRET

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so far to have suffered, can continue to supply these troops as it has done so far, there seems to be no good reason to believe that Communist China cannot go on fighting against the UN albeit without notable success. If, in addition, the Communists have (as seems currently to be believed) better trained and equipped armies in reserve, and if they can depend, at need, on increased Soviet aid, they should be able to continue fighting, <sup>perhaps</sup> in the expectation of victory, at least without undue fear of disaster.

b. Chief among the various reasons that probably underlay the Chinese Communists' decision to intervene in Korea was probably apprehension of the consequences if hostile forces established themselves on the Manchurian border. This would seem to be indicated by the facts that (a) the Chinese did not intervene in early stages of the war when their intervention would probably have been decisive; (b) they apparently warned the UN through 25X1X6 that they would not allow a crossing of the 38th parallel to go unopposed; and (c) they intervened in force when UN troops were approaching the Manchurian border despite assurances that the UN would hold Chinese territory inviolate. It is furthermore probable that the UN threat to China was entirely real to them, that they believed they could win a quick victory over the UN, and that the USSR, similarly threatened along its own border, backed Chinese intervention.

c. If Communist strategy in Korea is primarily defensive as indicated above, there would appear to be sound reasons for continued Chinese insistence on terms unacceptable to the UN. So long as the Nationalist government remains in existence, and so long as it purports to represent China in the UN, it remains a serious threat to the Peiping regime. For these reasons and because

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SECRET

**SECRET**

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Peiping could not, without humiliation, modify its demand to exercise control over all Chinese territory, including Taiwan, it would be most difficult for the Chinese Communists to compromise even on ~~the~~ conditions regarding Taiwan and UN membership. The third Chinese condition however, is probably more important to them in that it ultimately involves the unification of Korea under UN auspices. To the Chinese Communists, such a development would probably seem only slightly less dangerous than direct control of Korea by Western military forces.

d. There is no means of knowing whether or not the Chinese Communists might be persuaded to accept a compromise arrangement such as a return to the status quo ante. They have certainly given no indication that they would do so, and their commitment in Korea is probably such that even such a plausible compromise as return to the status quo at the 38th parallel would represent a Chinese defeat in their own eyes and those of their neighbors. It would probably mean a net loss for Communism in Asia.

e. The Chinese Communists' determination to continue the Korean war in pursuit of their ~~stated~~ objectives may derive ~~in~~ part from their normal conviction of the hostility of capitalist nations, now reinforced by the results of the MacArthur investigation and the alignment of considerable US opinion with MacArthur's views. If the Communists thus assume an eventual perhaps imminent US attack on China, they must consider the establishment of US force in Korea, Taiwan, or Japan as especially menacing and to be preented by any means at their disposal.

f. If the Chinese Communists do not consider their high casualties as particularly serious, and if they feel able to support such equipment losses

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SECRET

as they may be suffering, they may consider the war effort to be at least partially justified by (a) the military drain it entails for the US, (b) its ~~adverse~~ <sup>adverse</sup> effect ~~on~~ <sup>on</sup> plans for the defense of Western Europe; (c) the distortion of the US economy it <sup>might</sup> ~~cause~~; (d) the strain on the Western alliance that it has brought about, and (e) the dissension it helps to maintain in US domestic opinion.

3. If the above reasoning is correct, it would probably support a conclusion that the Chinese will not agree to negotiations on any terms acceptable to the UN so long as conditions remaining approximately as at present. If conditions were to change to such an extent that Communist China faced disaster in consequence <sup>of</sup> the Korean venture, the Chinese would presumably either attempt to negotiate the best possible terms or request greatly increased Soviet aid which would be furnished or not furnished on the basis of Communist willingness to engage in global war.

4. Malik, in the UN, has hinted to the US and Israeli delegations that the USSR might be willing to discuss a settlement of the Korean war with the US. These "feelers", however, have been unofficial and indefinite. There appears to be little chance that any serious Soviet intention to participate in a settlement on reasonable terms lies behind them. It has been surmised that the Kremlin was (a) attempting to discover the nature of UN terms, (b) seeking a possible propaganda theme to use in its "peace" offensive; or (c) considering inclusion of Korea in the agenda of the Foreign Ministers' conference, possibly to confuse that issue further. Probably the most significant feature of the Soviet overtures was that they represented the first intimation that the Soviet Union was in any way concerned in the Korean affair or in any position to help bring it to an end.

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SECRET

SOME POINTS THAT MIGHT HAVE A BEARING ON TERMS OF REFERENCE IF THEY WERE TO BE REQUIRED

THE QUESTION: In what circumstances or (and/or?) on what terms would the Chinese Communist regime effect a cessation of organized hostilities in Korea?

Aside from putting an honest question to Mao Tse-tung from which you got an equally honest answer, I should think you would want to know all or most of the following unknowables:

1. <sup>WHY</sup> ~~Why~~ did the Chinese Communists go into Korea in the first place: Were they:
  - a. Pushed in by the Russians?
  - b. Obligated to go in on the basis of commitments previously made to the North Koreans?
  - c. Convinced that they could win a quick and fairly *easy* victory over the UN, thus adding immensely to their domestic and international stature?
  - d. Moved either by fear that the UN attack would continue into China, or apprehension that the existence of UN troops on the Manchurian border would represent an unacceptable threat to Chinese security?
2. What do the Chinese Communists believe to be the intentions of the UN? Do they:
  - a. Take with any seriousness protestations that the UN is engaged only in a police action and has no designs on China or North Korea as such?
  - b. Believe that the UN, if allowed to do so, would unify Korea in such a way as to make it a continuing and unacceptable menace to their own security?
  - c. Believe that the UN, led by the US, is determined to carry the war to China in an effort to destroy the Communist regime and substitute the Nationalist for it?
  - d. Think that the US and its allies are so deeply divided on the Korean issue that the UN effort may in time collapse on this issue, thus improving the Communist position either for negotiation or for continued war?
  - e. Believe US foreign policy to be so confused that negotiations would be ill advised until at least the issue between MacArthur and the JCS is resolved?

SECRET

3. Why have the Chinese Communists chosen to continue the Koreanwar rather than attempt to settle it on the best possible terms? Has the main reason been that:
  - a. The Russians (with or without full Chinese agreement) have urged continuance as desirable for Communist world strategy or for the good of the Sino-Soviet alliance?
  - b. They believed themselves to be so deeply committed to it that they could not accept anything less than military victory or a settlement on their own terms without unacceptable loss of face?
  - c. They believed that eventual victory was certain?
  - d. They considered that a war of attrition would sufficiently weaken the West to justify the drain on Chinese resources?
  - e. They believed they could, in any case, afford continuance of the war for a considerable period of time, and therefore saw no compelling reason for terminating it?

In addition, you would want the best answers you could get to the following relatively knowable question:

1. What are Chinese Communist capabilities (Soviet-backed or non-Soviet-backed ) for
  - a. Defeating the UN in Korea ( i.e. achieving whatever the Chinese Communists would define as a victory)
  - b. Continuing an indefinite Korean war?
2. According to Chinese Communist propaganda, or other overt sources, what terms would they settle for? Have they:
  - a. Never deviated from their original terms which amounted to capitulation on the part of the UN?
  - b. Proposed or hinted at less drastic or some form of minimum terms?
3. Has CIA ever, from any sources, received any intimation that the Chinese Communists might be prepared to offer or might be contemplating offering or agreeing to negotiations on a basis that the UN could even consider? If so, have any of the reports been credible?